(e) if so, whether Government would import more coins to meet the demand in the country?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) There has been a general shortage of coins in the country.

(b) and (c) The Government has decided to import 1000 million pieces of coins during 1999-2000 (Re. 1=300 MPCs, Rs. 2=300 MPCs and Rs. 5=400 MPCs) on the basis of a Global Tender; this is yet to be finalised.

(d) and (e) The Government constantly reviews the availability of coins in the country and a decision to import coins is need-based. The Government Mints are being modernised and indigenous production of coins will substantially go up in 1999-2000. The enhanced indigenous production of coins together with proposed import will greatly relieve the pressure on currency notes. The Reserve Bank of India has taken steps to facilitate exchange of soiled notes with coins. It has also launched a special drive for exchange of soiled notes all over the country.

External Aid for Projects in Tripura

1495. SHRI KHAGEN DAS: Will the Minister of FINANCE be pleased to state:

(a) whether Government of Tripura has sent proposals seeking external aid for projects relating to agriculture, roads, education and water resources;

(b) if so, what steps have been taken by the Central Government to provide such assistance; and

(c) what is the total amount of external aid received for developmental projects in Tripura so far?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) Yes, Sir.

(b) For some projects, the proposals have been sent to the Administrative Ministries Planning Commission for their comments, while certain other projects have already been posed to the donors. In respect of one proposal, namely, Tripura School Education Project, OPEC Fund have agreed in principle to extend a loan of US $ 10 million. For another project, namely, Tripura State Road Project, Assistance for preparation of the project will be available from the World Bank loan for the States Road Infrastructure Development TA Project (Ln. 4114-IN).

(c) The information is being collected and shall be laid on the Table of the House.

Classification of NPA Accounts

1496. SHRIMATI JAYAPRADA NAHATA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Estimates Committee has commented adversely on the working of banks account auditors and the inspectors of Reserve Bank of India on classification of non-performing asset accounts;

(b) whether it is also a fact that all public and private sector banks have classified NPA accounts according to their suitability; and

(c) what action Government propose to take/have taken against the Reserve Bank of India and the banks in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): (a) In its Report presented to Lok Sabha on 15th December, 1998, the Committee on Estimates has, made some observations in this regard.

(b) It is not a fact that all public sector banks and private sector banks have classified NPA accounts according to their suitability. The classification of NPA accounts into sub-standard assets,

doubtful assets and loss assets is based on objective criteria prescribed by the Reserve Bank of India. Whereever there has been a difference in perception between the bank and its Statutory Auditors on one side and the RBI Inspector on the other regarding the classification of a particular non-performing asset and the adequacy for provisioning with respect to such an asset, it has been mainly because the banks have attempted the classification on the basis of the time limits prescribed by the RBI whereas the RBI Inspectors have identified the cases as quick more mortality cases requiring classification of such assets straightaway as loss assets entailing higher provisions with respect thereto.

(c) Whereever the RBI Inspector during the course of inspection have come to a conclusion different from the conclusion arrived at by the banks and the Statutory Auditors regarding the classification of a non-performing asset, the banks are advised to make suitable provisions in the subsequent year to offset the short provisioning of the previous year.

Fresh Loans to Defaulters

1497. SHRIMATI JAYAPRADA NAHATA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that big business houses who are in default of making payments of their outstanding loans from the banks are again given fresh loans by the banks;

(b) if so, the details of the defaulters who have again been given loans by the banks, bank-wise (public and private) giving the reasons therefor;

(c) whether there is any proposal to amend the Banking Regulations Act to make provisions for disclosure of the names of defaulters and the amount due from them; and

(d) if not, what is the logic behind shielding such information vis-a-vis the defaulters from public exposure?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): (a) and (b) In order to alert the banks and Financial Institutions and put them on guard against the defaulters to other lending institutions, RBI has put in place a scheme to collect details about borrowers of banks and FIs with outstanding aggregating Rs. 1 crore and above which are classified as 'Doubtful' or 'Loss' or where suits are filed, as on 31st March and 30th September each year. List of borrowers (with outstandings aggregating Rs. 1 crore and above) against whom suits are filed as on 31st March every year are published. Information of such suit filed accounts as well as confidential information on other doubtful and loss assets of Rs. 1 crore is disseminated to banks and FIs in the form of floppies.

The banks and financial institutions are advised to make use of the aforesaid details while considering, on merits, the requests for fresh or additional limits by the defaulting borrowing units, their preprietors/partners/directors etc. The banks, at times, grant on merits, loans/ additional facilities to defaulting units etc. for revival/rehabilitation. Reserve Bank of India has not issued any instructions prohibiting them to grant fresh/additional limit to the defaulters. Banks and financial institutions are free to take their own credit decisions based on commercial judgement.

Pursuant to the instructions of the Central Vigilance Commission for collection of information on willful defaults of Rs. 25 lakhs and above by RBI and dissemination to the reporting banks and FIs, a scheme has been framed by the RBI under which the banks and financial institutions viz. IDBI, IFCI, and ICICI will be required to submit to RBI the details of the willful defaulters.

(c) No such proposal is under consideration.